



## Senate

General Assembly

January Session, 2001

**File No. 626**

Senate Bill No. 1321

*Senate, May 7, 2001*

The Committee on Appropriations reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

**AN ACT REQUIRING THE PASS ALONG OF FEDERAL COST-OF-LIVING ADJUSTMENTS FOR RECIPIENTS OF THE STATE SUPPLEMENT TO THE FEDERAL SUPPLEMENTAL SECURITY INCOME PROGRAM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 17b-106 of the general statutes is  
2 repealed and the following is substituted in lieu thereof:

3 (a) On July 1, 1985, the Commissioner of Social Services shall  
4 increase the adult payment standards for the state supplement to the  
5 federal Supplemental Security Income Program by four and  
6 three-tenths per cent over the standards for the fiscal year ending June  
7 30, 1985, provided the commissioner shall apply the appropriate  
8 disregards. Notwithstanding the provisions of any regulation to the  
9 contrary, effective July 1, 1994, the commissioner shall reduce the  
10 appropriate unearned income disregard for recipients of the state  
11 supplement to the federal Supplemental Security Income Program by  
12 seven per cent, provided if sufficient funds are available within

13 accounts in the Department of Social Services and are transferred to  
14 the old age assistance account, the aid to the blind account and the aid  
15 to the disabled account, the commissioner shall increase the unearned  
16 income disregard for recipients of the state supplement to the federal  
17 Supplemental Security Income Program to a level not to exceed that in  
18 effect on June 30, 1994. On July 1, 1989, and annually thereafter, the  
19 Commissioner of Social Services shall increase the adult payment  
20 standards over those of the previous fiscal year for the state  
21 supplement to the federal Supplemental Security Income Program by  
22 the percentage increase, if any, in the most recent calendar year  
23 average in the consumer price index for urban consumers over the  
24 average for the previous calendar year, provided the annual increase,  
25 if any, shall not exceed five per cent, except that the adult payment  
26 standards for the fiscal years ending June 30, 1993, June 30, 1994, June  
27 30, 1995, June 30, 1996, June 30, 1997, June 30, 1998, June 30, 1999, June  
28 30, 2000, and June 30, 2001, shall not be increased. Effective October 1,  
29 1991, the coverage of excess utility costs for recipients of the state  
30 supplement to the federal Supplemental Security Income Program is  
31 eliminated. On January 1, 2002, and annually thereafter, the  
32 commissioner shall increase the unearned income disregard for  
33 recipients of the state supplement to the federal Supplemental Security  
34 Income Program by an amount equal to the annual cost-of-living  
35 increase provided under the federal Supplemental Security Income  
36 Program.

37 Sec. 2. This act shall take effect July 1, 2001.

**HS**            *Joint Favorable C/R*

APP

**APP**            *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:** Significant Cost

**Affected Agencies:** Department of Social Services

**Municipal Impact:** None

**Explanation****State Impact:**

This bill allows recipients of the state-funded Aid to the Disabled, Aid to the Blind, and Old Age Assistance programs to retain any cost-of-living increase (COLA) that they receive in their federal benefit. Under current policy, when a recipient receives a COLA in their federal payment, their state funded payment is reduced by a like amount, leaving them with no income growth. This is done so that the growth in their federal income does not result in them exceeding the eligibility criteria for these programs. With the passage of this bill, the eligibility criteria will be adjusted to accommodate the federal COLA and their state funded benefits will not have to be reduced. This will result in significant increased costs to the Department of Social Services. The Appropriations Act, sHB 6668 (as favorably approved by the Appropriations Committee) includes \$2.9 million in FY02 and \$5.2 million in FY03 to implement this policy.

**OLR Bill Analysis**

SB 1321

***AN ACT REQUIRING THE PASS ALONG OF FEDERAL COST-OF-LIVING ADJUSTMENTS FOR RECIPIENTS OF THE STATE SUPPLEMENT TO THE FEDERAL SUPPLEMENTAL SECURITY INCOME PROGRAM.*****SUMMARY:**

This bill requires the Department of Social Service (DSS) commissioner to increase the amount of unearned income that is excluded (unearned income "disregard") when she determines someone's eligibility for State Supplement benefits. The amount of the increase is equal to the cost-of-living increase in federal Supplemental Security Income (SSI) benefits. Currently, she excludes a set amount of unearned income, which varies based on the person's living arrangement. This disregard has not risen since 1991. The maximum State Supplement benefit has likewise been frozen since that time.

EFFECTIVE DATE: July 1, 2001

**BACKGROUND*****State Supplement***

Needy people who are aged, blind, or disabled can qualify for State Supplement benefits, regardless of whether they are also receiving SSI benefits. Eligibility and benefit determination is complex.

In general, DSS looks at the income (both earned and unearned), takes deductions from both types of income, and compares the net amount to a "need" standard. (Gross income cannot exceed 300% of the SSI benefit, which is currently \$1,590 per month and assets can be no more than \$1,600 for a single applicant.) The unearned income disregard varies, depending on the person's living arrangement. For example, someone living alone in the community has \$183 deducted from his unearned income.

Like the disregard, the need standard varies, depending on the applicant's or recipient's living arrangement. It consists of both the housing costs and a personal needs allowance. Using the above example, someone living in the community has a shelter limit of \$400 (DSS looks at the applicant's actual rent) per month, and gets a personal needs allowance of \$164.10 (people living in licensed boarding facilities have different standards), so his total monthly need would be a maximum of \$564.10.

If net income is greater than the need standard, the person is ineligible for assistance. If it is less, the person qualifies and the benefit equals the difference between the two.

### ***Impact of SSI COLAs on State Supplement Benefits***

Each year since 1991, the SSI maximum benefit has been adjusted for increases in the cost-of-living (COLA). State Supplement recipients have not been able to deduct this increase, thus their benefit has dropped in proportion to the SSI COLAs since then.

## **COMMITTEE ACTION**

### Human Services Committee

Joint Favorable Change of Reference

Yea 17      Nay 0

### Appropriations Committee

Joint Favorable Report

Yea 51      Nay 0